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WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

State Dept. review
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ARMY review(s)
completed

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(Information as of noon EST, 21 April 1966)

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South Vietnam's political crisis has eased, but anti-government leaders are maintaining a ready capability to resume agitation. The regime is only beginning to plan the implementation of concessions it offered in order to end the demonstrations. The pattern of recent Viet Cong military activity suggests that Communist forces are preparing for future operations. Their supply lines from the North, however, apparently are being impeded with increasing effectiveness by US air strikes.	
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Far East

VIETNAM

South Vietnam's political crisis eased at least temporarily this week, as Buddhist leaders called off demonstrations in return for the Ky government's promise of constituent assembly elections. However, Ky's regime remains an easy target for renewed political agitation as it tries to solve the problems of transition to civilian rule without setting off internal feuds.

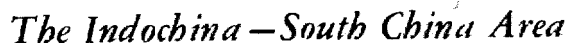
By the end of the week, antigovernment elements in Hue and Da Nang appeared to be responding favorably to the efforts of monk Tri Quang to stop the immediate agitation in central Vietnam. General Ton That Dinh, the new I Corps commander, has had some success in lining up military support and restoring order among rebellious officials in Hue and Da Nang. However, he has achieved this only through persuasion and by expressing some sympathy with the antigovernment cause; consequently, there has been no real restoration of the Saigon government's authority in these two major cities. Scattered incidents of violence involving VNQDD (Nationalist) Party elements and Catholics on one side and Buddhists and dissident groups on the other are still being reported throughout I Corps. On balance, antigovernment leaders are maintaining a ready capability to defy the central government once again, should they so decide.

Saigon has been free of demonstrations since the Buddhist "victory" march of 14 April, and most of the 12 battalions of troops stationed in the capital last week to maintain order and guard against attempted coups have been returned to their normal operational areas.

The government has neither formulated precise plans for electing a constituent assembly nor decided what its duties will be. Committees composed of provincial council representatives and other appointees will apparently be consulted on the organization and supervision of the elections, now targeted for August. Despite the major concession by the government in agreeing to an elected constituent assembly, there is no sign that the government is prepared to yield primary authority to the assembly after its election. Buddhist leaders have maintained that, in accordance with the recommendations of the National Political Congress last week, the constituent assembly must have the power to select a provisional government to function until a constitution has been drafted. Agitation may resume if the government and the Buddhists openly differ on this issue.

The month-long political crisis has also caused significant

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divisions within the government's military and civil administrative structure outside I Corps, within the Ky cabinet, and within the ruling military Directorate itself. Minor or major purges of various factions may yet take place. In addition, the political upheaval has postponed various government reform programs, particularly those designed to counter the serious inflationary trend predominantly in urban areas.

The Military Situation

US military officials in Saigon believe that the over-all pattern of Viet Cong activity during the current period of political unrest suggests that the Communist forces are regrouping and retraining in preparation for future large-scale offensives. Important Viet Cong attacks appear especially likely in the general area extending northwest from Saigon to the Cambodian border, and in I Corps.

One major Communist action during the week was an attack on a Vietnamese Popular Force training center near Ben Tre, the capital of Kien Hoa Province. Some 50 Vietnamese troops were killed, against known Viet Cong losses of only six dead. Other noteworthy enemy activity included mortar attacks against US air

facilities at Phan Thiet and An Khe, and against US Marine positions near Da Nang.

Allied operations during the week continued at a high level but did not result in significant contact with the Viet Cong. Several such efforts, however, may have thwarted planned enemy offensives. For the second consecutive week, US casualties exceeded those of the Vietnamese armed forces, where most of the losses were among the local Popular Forces.

Air Strikes Slow Communist Supply Traffic

Recent developments in the pattern of southbound traffic in both the southern part of the DRV and in the corridor area of Laos may reflect the increasing effectiveness of US air operations against Communist supply lines. Sightings of more than twice as many boats along the coast south of Haiphong in March as in February suggest that Hanoi is being forced to supplement the overland transport of goods to Vinh or points farther south. In addition, friendly guerrillas are reporting that southbound traffic along Routes 23 and 911 in Laos 25X1 dropped off considerably in March and April from the December-January average.

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CHINA LEADERSHIP MAY BE IN TRANSITION

Signs are accumulating that the leadership of Communist China is in a difficult transition period which will last until Mao Tse-tung dies or ceases to wield significant power.

As the official silence on Mao's activities lengthens to 21 weeks, rumors on his health continue to fly. According to one story now current in Peking diplomatic circles, he underwent surgery for throat cancer in early April.

The massive campaign to make all elements of Chinese society study Mao's writings continues with great intensity. The domestic press is pointing out that his ideas are vital to the successful management of China but implying that his collected thoughts may serve this purpose even if Mao himself is no longer at the helm.

Propaganda aimed at domestic audiences has recently begun to stress that it is important for party committees "at all levels" to practice democratic centralism and collective leadership. This line has been taken at regional party meetings, national political work conferences, and, increasingly, in newspaper editorials and nationwide broadcasts during the past month. This may be a guarded attempt to alert the Chinese people and the party apparatus to the possibility

that a caretaker regime may soon be in charge.

In the past Peking has often recommended "collective leadership" for low-level party committees, but usually in a context indicating that the advice is not meant to apply to the top party bodies--the central committee or its ruling politburo.

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This was carried a step further in a Liberation Army Daily editorial broadcast by Peking on 5 April, which invoked Mao's authority to support the argument that the leadership of party committees "at all levels" is "collective and should not be monopolized by the first secretary. Within a party committee only the system of democratic centralism should be instituted."

There seems little prospect for any shift in Peking's policies while a caretaker regime is taking on more responsibility. In his last days, Mao could be expected to take an increasingly rigid and doctrinaire view of China's many foreign and domestic problems. During this period Mao's lieutenants, intent on representing themselves as reliable, ultraloyal followers, would scarcely recommend departures from established policy.

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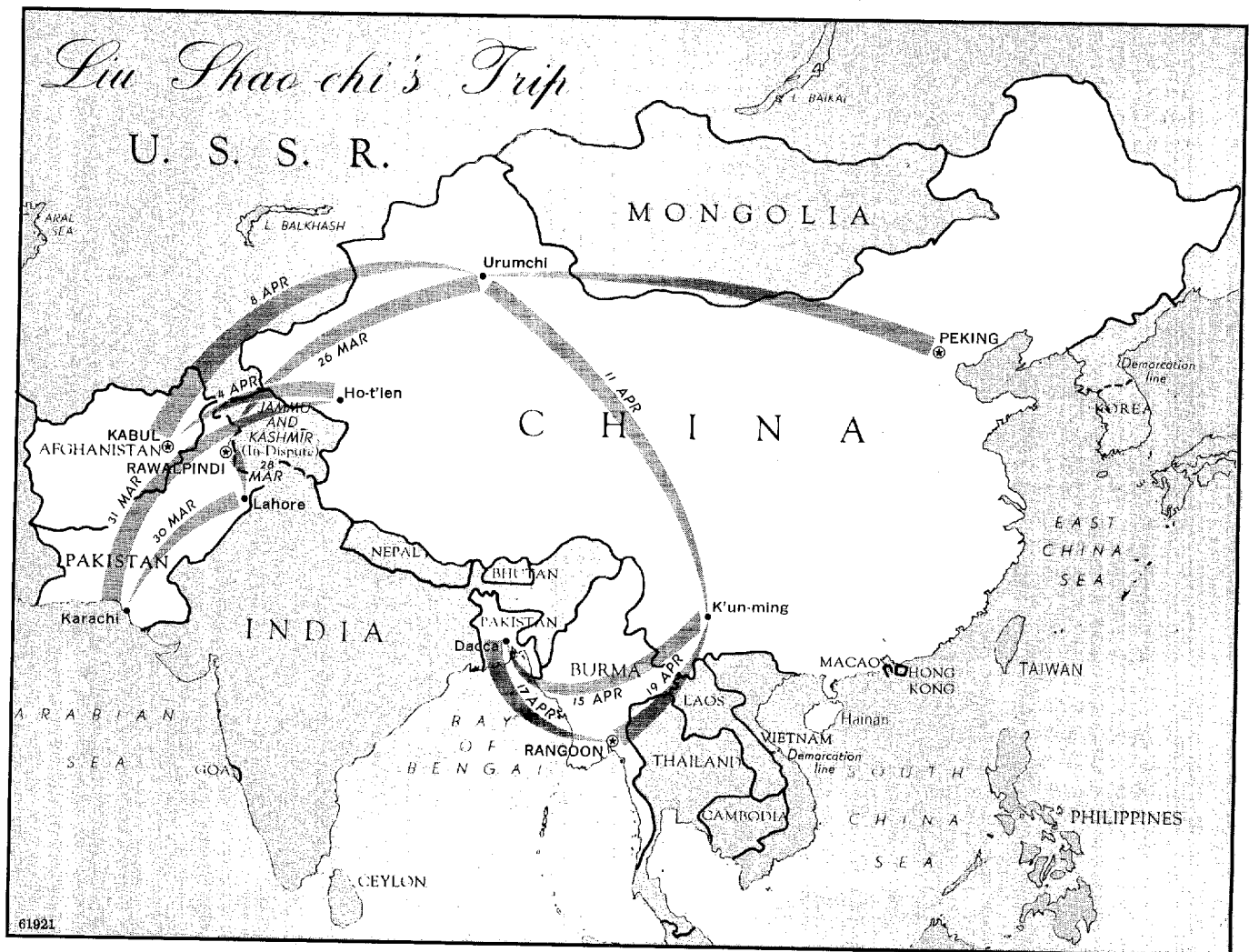
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LIU SHAO-CHI'S SOUTH ASIAN TOUR

Chinese Communist chief of state Liu Shao-chi's recent tour of Pakistan, Afghanistan, and Burma achieved only modest success. Friendly receptions in all three countries probably helped counter the impression that Peking is diplomatically isolated, but subsequent discussions apparently produced little of substantive value. All three joint communiques were bland and

avoided attacks on US policy in Vietnam.

Public statements by Liu and Foreign Minister Chen Yi stressed themes most likely to bring a warm public response. Some of their speeches included anti-American statements, particularly on the US position in Vietnam. In one speech in Dacca, Chen Yi accused the US



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of preparing to attack China and of attempting to gain "control" of countries around China. The over-all tone of the two leaders' statements, however, fell far short of Peking's usual propaganda diatribes, apparently in deference to the sensibilities of their hosts.

One purpose of Liu's seven-day visit to Pakistan was to offset the improvement in US-Pakistani relations brought about by President Ayub's trip to the US last December. However, the communiqué issued as he left West Pakistan probably reflected Pakistani insistence that the document give as little offense as possible to Washington. Although it reaffirmed Sino-Pakistani friendship and promised mutual support on some key issues, it included no attacks on US policies and made no reference to the situation in Vietnam. It stressed Chinese backing for Pakistan on Kashmir and expressed Pakistani "gratitude" for Chinese support. The Chinese apparently were more flexible in their discussions than they have been in the past, in line with a consistent effort throughout Liu's tour to present Peking as a "reasonable" and good neighbor.

Peking's probably disappointment over Pakistani caution may have been counterbalanced to some extent by the warm public recep-

tion accorded Liu in West Pakistan. The welcoming crowds in Rawalpindi, Karachi, and especially in Lahore, were enthusiastic, indicative of public gratitude for Chinese support during the Indian-Pakistani war last September. Liu's reception in East Pakistan was courteous and polite, but did not approach the enthusiasm demonstrated in West Pakistan.

In Kabul, the government obviously tried to reciprocate the lavish treatment accorded the Afghan King and Queen when they visited China in late 1964. The Afghans, however, were clearly determined to avoid offending the US and the USSR, and the final communiqué stated merely that the Vietnam problem was discussed. This caution was probably encouraged by a US protest over a recent Yugoslav-Afghan communiqué which stated that the Viet Cong should be accepted as equal partners in negotiations.

Liu's two days in Burma apparently generated even less popular response than his Afghan visit, and General Ne Win was careful in a toast on 17 April to avoid reference to sensitive international issues. The joint communiqué issued in Rangoon was as brief and bland as those put out in Rawalpindi and Kabul and made no mention of the US or of Vietnam.

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KOREANS HEDGING ON STATUS-OF-FORCES AGREEMENT WITH US

The pending status-of-forces agreement with the US threatens to become a major issue in South Korean politics that could reduce political stability and damage US interests. South Korean officials assert that acceptance of the present draft will make the Pak government vulnerable to charges in next year's election campaign of having mishandled a matter affecting national prestige.

Foreign Minister Yi Tong-won has informed the US ambassador that he wants to reopen negotiations on the articles dealing with criminal jurisdiction, civil claims, and labor. Yi indicated strong dissatisfaction with the present provision for criminal jurisdiction over US servicemen, which Koreans think falls short of rights accorded other countries. Yi cited the agreement with the Philippines as granting more favorable treatment to the host country than was given Korea.

On the problem of civil claims against US military forces,

the Koreans want to take over responsibility for processing claims earlier than the present draft provides. In the field of labor relations, Seoul wants the removal of certain limitations on collective actions by some categories of Korean employees of the US forces. Korean officials have held that a no-strike clause could prove politically embarrassing and might be unconstitutional.

The opposition and some elements in the ruling party have indicated they will attack the Pak government if it accepts the present agreement. The latter group probably includes those who feel Korea's military contribution to South Vietnam should be used as leverage to reopen negotiations. If Pak decides to do nothing, claiming he is holding out for equal treatment with the Philippines, the government will become a hero and the US will be cast in the role of the discriminatory villain. 25X1

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Europe

CONTINUING NATO EFFORTS TO TAKE ACCOUNT OF FRENCH WITHDRAWAL

Foreign Ministers Couve de Murville and Schroeder this week began exploratory talks in Bonn on the question of whether French forces can stay in West Germany after 1 July, the date set by Paris for the withdrawal of French forces from NATO. Britain, meanwhile, is at work on a reorganization proposal for NATO's political and military structure.

In Bonn, Foreign Minister Schroeder outlined for his French counterpart conditions developed there last week in consultation with the US and UK. The tripartite position is that a new legal basis must be developed before 1 July for the French troops in Germany. The terms also require that these troops be recommitted to NATO in time of war and that their role in peacetime be subject to consultation. Bonn would have "a certain degree" of control over them, and both Paris and Bonn would have the right to require their withdrawal.

The Schroeder-Couve exchange on 18 April on these points suggests there will be difficulty reaching an accommodation when formal negotiations begin, possibly in mid-May. Couve said that France is willing to leave its troops in Germany, if Bonn so desires, but that they should remain on the basis of residual occupation rights

as set forth in the 1954 Convention on relations.

The British reorganization plan for NATO would locate both the North Atlantic Council and the Military Committee in Europe, the latter moving from Washington. The plan would also abolish the Standing Group and replace it with a Deputy Secretary General for Defense served by a Defense Planning Secretariat (DPS). SHAPE would remain on the continent, preferably in Brussels or Antwerp, but would be reduced in size and relinquish its planning functions to the DPS.

The British may also suggest creation of a separate nuclear command. They feel that if this is done the Supreme Allied Commander Europe and Supreme Allied Commander Atlantic need no longer be US officers as they would no longer have nuclear executive functions.

These proposals are consistent with recent UK press views calling for assertion of British leadership in Europe and for a streamlined NATO with a more "European" aspect. They are also consistent with the belief in London that a "settlement" of the nuclear sharing arrangements in the Alliance would facilitate an agreement on a non-proliferation treaty in Geneva.

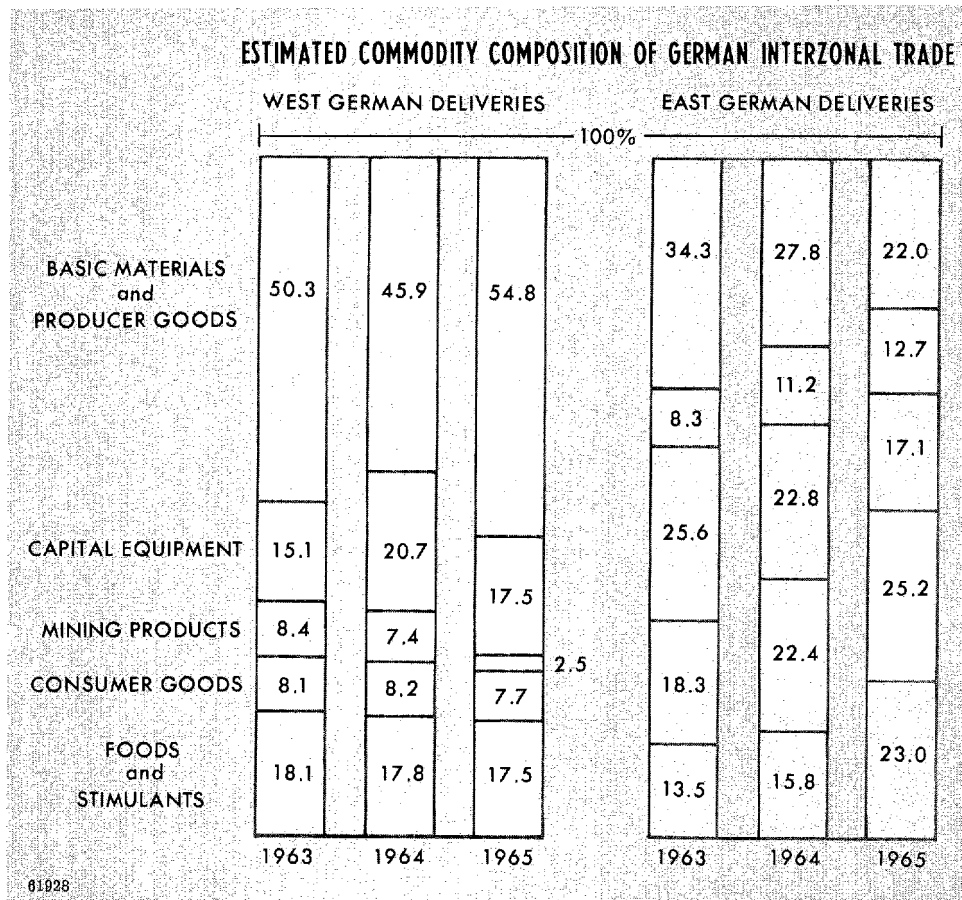
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SECRET**GERMAN INTERZONAL TRADE INCREASED LAST YEAR**

A seven-percent increase in the value of trade between East and West Germany was achieved in 1965 despite the threat of a decline arising from difficulties over deliveries of certain commodities. The increase--an estimated half of which was attributable to higher prices--was small in comparison with the abnormally large 19-percent rise in 1964.

Deliveries of brown coal briquettes from East Germany were greatly reduced because of diminished West German demand. East German petroleum deliveries suffered from disagreement over conditions for a West German subsidy for these deliveries--specifically East Germany's unwillingness to accept 60 million Deutsche marks as compensation for retention of

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the traditional formula whereby such agreements are signed by the negotiators as representatives of "currency areas," not governments.

The greater competitiveness of East German agricultural products, textiles, and machinery, as well as the importance which East Germany attaches to maintaining interzonal trade (IZT) at high levels were factors in expanding exports. They offset the reduced deliveries of traditionally important products. West German shipments of minerals --almost entirely hard coal--also declined markedly. They were, however, offset by increased deliveries of iron and steel and chemical products, especially nitrogenous fertilizer.

The major West German concession in IZT in 1965 was the agreement to transfer the GDR's 50-million-DM surplus in the consumer goods and food account to cover its deficit balance in the hard-goods account--mostly iron and steel products and

machinery. This practice of permitting transfers between these accounts has important implications for the future of IZT. It will permit larger East German hard-goods purchases, and thereby increase the proportion of deliveries which mean most in terms of GDR dependence on IZT.

Prospects for IZT in 1966 are for a larger increase than was achieved last year. This forecast is based on the increased competitiveness of a wider range of East German products, the new practice of transferring balances between accounts, and the high level of GDR orders placed in the first two months of 1966 (45 percent above orders placed in the comparable period of 1965). The unusually low GDR deficit balance in early 1966 permitted cash settlement of accounts in March, instead of June as scheduled, and will preclude the restrictive influence that a large deficit might have on GDR purchases.

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AUSTRIA ENDS 21-YEAR-OLD COALITION

One-party rule by Austria's centrist People's Party, ending its 21-year-old coalition with the Socialists, is likely to lead to some modification of both foreign and domestic policy. Abrupt changes, however, are not expected.

The government is likely to increase efforts to win association with the European Economic Community. The new leadership, which includes the strongly pro-EEC Trade Minister Bock and Foreign Minister Toncic-Sorinj, will probably be able to overcome the remaining opposition in both parties to Austria's pulling out of the European Free Trade Association as a price for an Austro-EEC arrangement. The position of the USSR on such an arrangement, which it has strongly opposed in the past, may become more adamant.

Austria's traditional interest in close economic relations with Eastern Europe is likely to be maintained under the new government, but the influence of private as opposed to nationalized industry may well increase. The People's Party has close ties with private business. Under the coalition,

the Socialist vice chancellor, representing nationalized industry, had to some extent competed with the People's Party trade minister in economic negotiations with Eastern Europe. Internally, the new government is not expected to make rapid progress in its promises to rationalize the economy.

Without the brake provided by the traditionally antimilitary Socialists, the government is expected to step up arms procurement. The armed forces want defensive missiles to prevent unauthorized overflights of Austrian territory. Acquisition requires the consent of the four former occupying powers (France, UK, US, and USSR), however, and the reluctance of the USSR to agree may be increased by the more conservative orientation in Vienna.

A one-party cabinet will cause uneasiness on the domestic political scene, at least initially. Austrians have long believed that coalition government was insurance against a recurrence of the civil strife of the 1930s.

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Middle East - Africa

GREEK GOVERNMENT FACES NEW TEST

The tenacious Greek Government of Premier Stephan Stephanopoulos faces a new hurdle in the no-confidence motion offered when Parliament reconvened on 19 April after its Easter recess. The vote should come next week.

The resignation of Foreign Minister Tsirimokos over Cyprus policy had further charged the heated political atmosphere in Athens. Two other deputies, one of them a cabinet minister, also withdrew their support from Stephanopoulos. This was sufficient to wipe out his majority, which he has nursed along since last fall.

The status quo ante was quickly restored, however, when two opposition deputies announced their support of the government, and the resigned minister de-

clared that he had "renewed his confidence" in Stephanopoulos.

The censure motion, offered by former premier Papandreou's Center Union and the crypto-Communist United Democratic Left, therefore does not seem likely to pass. The opposition will use the debate to harass the government on, among other issues, its mishandling of Cyprus affairs and its "police-state tactics in holding power through deviation from the constitution."

Long-debated measures to increase income and excise taxes will be referred to a parliamentary recess committee, which can put the legislation on the books subject to later approval by the full Parliament.

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GENERAL ARIF SUCCEEDS DECEASED BROTHER AS PRESIDENT OF IRAQ

The election of General Abd al-Rahman Arif, army chief of staff, to succeed his deceased brother as president of Iraq has averted for the time being a power struggle between rival factions in the regime.

The retention of Prime Minister Bazzaz as head of the new government is a further indication that relatively moderate socialist domestic policies will be continued. On the Kurdish problem, Arif has denied that he will grant independence to the Kurds, refuting press distortions of some earlier remarks he made on the subject. The regime apparently will retain a cautiously friendly attitude toward the US.

Arif was elected on 16 April by the outgoing cabinet and National Defense Council over his chief rival, General Uqayli, minister of defense under the late president. Uqayli is also ab-

sent from the new cabinet. Egypt, which had made contingency plans to intervene militarily in Iraq to support Nasirist elements there, apparently is gratified that the new regime intends to maintain close relations with Cairo. The Egyptians, nevertheless, presumably will continue to resist any Iraqi pressure for a formal union.

The probable displeasure of Uqayli and his military faction suggests that they will await a future opportunity to regain influence within the regime, if not to try to take control. In addition, the Baathists, as well as the various conservative groups, some supported by Iran, who had been plotting against the former regime undoubtedly have taken heart because the situation has changed, but there is no evidence to suggest that any of these groups has sufficient strength to seize power.

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SOVIET AID PROGRAM IN SOMALIA IN DIFFICULTY

A Soviet economic delegation visiting Somalia is faced with a decision to recommend either that the USSR invest new funds and assume greater managerial responsibility for its aid projects there or that it close down part of the \$57-million Somali program.

The problems in Somalia are similar to those that have plagued Soviet aid programs in West Africa and stem from plans hastily prepared several years ago which did not properly assess the local economic environment and the degree to which the recipient could be depended on to participate. The findings of the Soviet team will probably parallel those of a UN technical study which noted an absence of managerial talent and a lack of local funds to meet Somalia's share of the development program.

Somali leaders have been particularly dismayed to find that the agricultural projects have shown no signs of becoming self-supporting. The USSR has delivered nearly \$7 million worth of consumer goods on credit to be sold to raise funds for local costs, but the Somalis now contend that the initial estimates, reached jointly by the USSR and Somalia, were incorrect and that \$25 million more must be raised.

The USSR has been asked to provide the additional funds.

The failure of the Somali aid program undoubtedly adds to Moscow's disappointment over its inability to make a better showing in East Africa, where both Kenya and Tanzania during the past year have rejected Soviet offers. Kenya objected to Soviet unwillingness to assume complete responsibility for all costs of a proposed \$45-million development program, while Tanzania failed to draw up an acceptable list of projects which the USSR felt it could take on with some assurance of successful completion.

It is likely that Soviet Deputy Foreign Minister Malik, who is scheduled to visit East Africa shortly, will bring with him a proposal to salvage at least some parts of the program in Somalia, particularly the construction of small industrial plants and the development of a port at Berbera. Construction work at the port has been stepped up this year, even though the Somali Government has not met its obligations to pay for local labor and materials.

The Soviet military aid program, under which major deliveries were completed earlier this year, is not likely to be affected by the problems in the economic program.

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ZAMBIAN GOVERNMENT UNDER GROWING RADICAL PRESSURES

The moderate Zambian Government has weathered the crisis caused by Rhodesia's declaration of independence but faces rising domestic pressure for social and economic change. Dissipation of the emergency atmosphere begun last November allows the government time for organization and planning, but the political consequences of continued failure to satisfy militants' demands could still be serious.

Government fears about the repercussions inside Zambia of Ian Smith's rebellion have abated. The country has not sunk into a morass of violent racism, and is enjoying enhanced international prestige and an economic boom. Zambia's leaders realize that the Smith regime is unlikely to fall soon, recognize that Zambia can live with an independent white-ruled Rhodesia, and are sobered by the growing realization of its dependence on the rebel nation. As a result, they are turning away from emergency planning toward development of new trade patterns which would allow gradual disengagement from Rhodesia.

Militant Zambians, however, continue to harass the government. The magnets presently drawing their attention are "Zambianization"--replacing the 30,000 Europeans who make up virtually the entire profes-

sional and skilled labor force with Africans--and elimination of the sharp disparity in wage rates between the two races. Although the government has the same goal, it faces the dilemma of satisfying African demands without jeopardizing national development.

In recent weeks African workers, spurred by some local labor leaders and politicians, have backed their demands with wildcat strikes. Early this month a two-week miners' strike stopped production of copper, the source of practically all of Zambia's foreign exchange and development funds. Only a strong government-union campaign and the formation of a commission of inquiry to investigate mineworkers' demands persuaded the strikers to return to work. Further labor unrest can nevertheless be expected and could trigger racial violence and a breakdown in economic activity and internal stability.

Signs of discontent over Zambianization and wage rates have also appeared in the largely white-encadred army. President Kaunda recently had to make a special call for army "loyalty" and to offer assurances that the government was trying to speed the advancement of black Zambians.

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GHANA'S NEW REGIME PROGRESSING UNEVENLY

The two-month-old moderate regime in Ghana has settled in and appears to be functioning reasonably smoothly. Its pro-Western army and police leaders evidently do not intend to redeem any time soon their promise to restore constitutional government.

Internally the main emphasis has continued to be on denigrating the old regime through publicized allegations by prominent former officials of widespread corruption and subversive activities in African countries. Although most of these accounts are probably distorted, they appear to have further discredited Nkrumah whose prospects for an early comeback are now bleaker than ever. He is still in Conakry



Changes have been made in Ghana's administrative structure, partly to tighten the army and police leaders' grip on the country. The number of ministries has been reduced from 32 to 17, and the new national directorate of military and police officers and civil servants has been extended to the regional and local levels. In grappling with the country's massive economic problems, the regime's pro-Western economic experts are being assisted by World Bank advisers. Some significant new foreign aid,

notably from the US and West Germany, has already been obtained and all signs still point to a determination on the part of the ruling National Liberation Council (NLC) to qualify Ghana for still larger Western assistance.

Plans for a major overhaul of the Ghanaian national labor organization, elaborated by its new anti-Communist chief B. A. Bentum in early March, have not yet got off the ground. Bentum seems in some danger of being outmaneuvered by labor activist John Tettegah,

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who served Nkrumah and now is trying to ingratiate himself with the NLC.

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Ghana's relations with the USSR and Communist China continue strained following the expulsion of all technicians from those countries last month. Accra may yet initiate a complete rupture with Peking. The NLC now appears to be focusing on getting most if not all Ghanaian students-- numbering approximately 1,000-- out of Communist countries, probably by this summer.

In Africa, the NLC has won general acceptance, while relations with Ghana's immediate neighbors--all led by moderates long at odds with Nkrumah--have improved markedly. Closer policy coordination with the generally similar military regime in Nigeria seems likely, with consequent effects on the balance of pan-African politics.

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PROSPECTS FOR STABILITY INCREASE IN ARGENTINA

A government victory in a major provincial election on 17 April and the settlement of two serious transportation strikes have probably increased the short-term prospects for stability in Argentina and may further dampen the talk of a possible coup.

President Illia's People's Radical Party (UCRP) and the Conservatives had agreed before the election in Mendoza Province to pool their votes in the electoral college to ensure the defeat of the Peronists' gubernatorial candidate. The coalition won about 55 percent of the total vote, and under the agreement the UCRP, which finished third, will support Conservative Emilio Jofre in the college.

The Peronists were unable to unite behind a single candidate and their total vote dropped slightly from that of last year's congressional election. Even the most optimistic of the orthodox Peronists did not expect the surprising showing of their candidate against the better known neo-Peronist moderate. The orthodox Justicialists campaigned on a platform of unswerving obedience to Peron and benefited from the active participation in the campaign of the exiled dictator's attractive wife, Isabelita. The Justicialists won 26 percent of the vote, leaving

the moderates a poor fourth with less than 16 percent.

The weak showing of the neo-Peronists may retard the efforts of labor leader Augusto Vandor to remove the Peronist movement from under the thumb of the aging Peron. Vandor will probably have to make a serious reappraisal of his tactics, but he is unlikely to give up his attempt to end Peron's control.

The psychological boost given the government by the Peronist defeat--even though it was expected--came after the settlement of disputes with airline and railroad workers, also an important step forward for the Illia administration. Although the government was forced to grant wage increases about double the 15 percent originally planned, the end of the paralyzing transportation strikes will help ease the dissatisfaction with the government that was growing in Buenos Aires.

The outlook for the Illia government has improved considerably since rumors of a possible coup by the military began to circulate in February. It is probable that attention will now focus on the 1967 elections, diminishing the possibility of a military take-over until the future course of the administration is more certain.

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GOVERNMENT PARTY PREPARED FOR PRESIDENTIAL ELECTION IN BRAZIL

War Minister Costa e Silva has been steadily gathering political support since he announced his candidacy for Brazil's presidency over three months ago. At the moment he is heavily favored to be nominated by the pro-government National Renewal Alliance (ARENA) during its convention scheduled to open on 26 May.

Costa e Silva's supporters feel that the early convention gives him an advantage because it permits use of the prestige of the War Ministry on behalf of his candidacy until he is required to leave his post in July. Administration leaders have been encouraging other potential contenders to enter the race, but thus far no one has shown a willingness to challenge the war minister.

Nomination by ARENA will virtually assure election, since its majority delegations in Congress will select the new presi-

dent on 3 October. ARENA leaders may have some difficulty in enforcing party discipline, but there are probably enough "safe" votes for ARENA's candidate.

The opposition Brazilian Democratic Movement (MDB) is undecided whether to enter the race. Under Brazilian law candidacy is restricted to officially recognized political groups. Only ARENA and the MDB qualify at present.

President Castello Branco has yet to reveal his own choice of a successor. A word of favor from him would probably make Costa e Silva impossible to defeat, but Castello Branco is apparently anxious to avoid giving the impression that he is forcing anyone on Congress. He has pledged to back the ARENA nominee, although he apparently has some reservations regarding Costa e Silva's political astuteness.

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A LOOK AHEAD AT THE NEW COSTA RICAN GOVERNMENT

The new administration to be inaugurated in Costa Rica on 8 May appears to be shaping up well despite the limitations imposed on President-elect Jose J. Trejos by his narrow election victory and by the disparate forces in his coalition, the National Unification Party (UN). Trejos' designated cabinet for the most part seems a remarkably well-contrived combination of what was necessary to satisfy the wings of this political grouping. It also promises to be a generally qualified, technically skilled team.

Although he is inexperienced as a political leader, Trejos has exhibited political acumen which he will need in full measure to cope with partisan ambitions of other elements already looking toward the next presidential election in 1970. Daniel Oduber, defeated candidate of the government National Liberation Party (PLN), is working to ensure his continuance as PLN leader and his hold over the PLN deputies-elect who will control the new assembly. Having no personal political following of his own, Trejos must contend also with

differences among the three parties which formed the UN coalition solely to back him for the 1966 election. The head of one of these, ex-President Calderon, is already forging plans for a new party to incorporate most of the present UN and dissident elements of the PLN.

Trejos will be confronted with mounting economic difficulties which can be met only by much-needed but politically and administratively difficult reforms. The opposition-controlled assembly will doubtless balk at some of the measures Trejos has in mind. Furthermore, the PLN hopes to retain control of a number of key autonomous institutions, which it will do unless Trejos finds a way to shorten the terms of PLN appointees named under the outgoing Orlich government. Trejos has characterized these institutions as excessively autonomous and nearly anarchical. A major struggle can be expected on this and other important issues, such as decentralization of Costa Rica's banking system.

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DOMINICAN ELECTORAL DEVELOPMENTS

Juan Bosch emerged from last weekend's political conventions with support from almost the entire Dominican left for his presidential candidacy in the elections on 1 June. At the same time, supporters of Joaquin Balaguer and Rafael Bonnelly continued their discussions aimed at merging their moderate and conservative forces.

On 17 April Bosch received the backing of the Revolutionary Social Christian Party, which has a small but significant following, particularly among labor and students. Bosch was conditionally endorsed by the Communist-oriented 14th of June Revolutionary Movement but quickly rejected its support, saying he had not been consulted on its action and noting its backing would cost him votes. The only group in the former rebel camp that has not come out for Bosch is the pro-Peking Dominican Popular Movement, which is congenitally unable to find any good at all in elections.

Many Dominicans and foreign diplomats in Santo Domingo credit Bosch with a significant edge and some flatly predict his victory. Bosch's partisans also think his chances are good. For example, leaders of his Dominican Revolutionary Party in Santiago, the country's second largest city,

are claiming that the party now is considerably stronger in the area than in 1962 and appear more confident than ever of victory.

On 17 April Balaguer accepted the unanimous nomination of his Reformist Party. The convention picked Francisco Augusto Lora, a loyal Balaguer backer and party vice president, for the second spot on the ticket. Lora's candidacy will probably have little attraction for individuals not already committed to Balaguer.

In his acceptance speech Balaguer stressed that his government would ensure stability, warning that Bosch's election would lead to a repetition of the 1963 coup. As if to allay fears that he would reintroduce Trujillo's tactics if elected, Balaguer said he would never use power as an instrument of vengeance and persecution.

Balaguer had obvious reference to Bonnelly's National Integration Movement in appealing for unity among all those who oppose Bosch. Many of Balaguer's supporters have become increasingly worried that Bonnelly's candidacy will cost their man the election and have been working for an alliance between the two. Balaguer, however, has so far appeared unwilling to pay

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the price in patronage and policy concessions that Bonnelly is demanding. In addition, vice-presidential candidate Lora told a US official the Reformist Party wants to avoid association with the rightists who surround Bonnelly, describing them as "professional conspirators and symbols of privilege and the past."

Despite antagonisms between the groups, discussions on unification are continuing. Pressures within Bonnelly's coalition may force a pact

Meanwhile, the anniversary of the 24 April revolution, concurrent with the international Communist-sponsored "week of solidarity with the Dominican people," may lead to disorders, anti-US demonstrations and a deterioration in the climate for elections. Commemoration ceremonies, some of them Communist-backed, will provide an opportunity for exploitation by the extremes of both right and left. Possibly in connection with the "week of solidarity," 25 wounded "constitutionalist" war veterans have been flown to Europe for medical treatment. This Communist-sponsored venture appears designed to discredit US intervention in the Dominican Republic.

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